

**REQUEST FOR COUNCIL ACTION**

**SUBJECT:** Approve an Equipment Lease Application and Purchase Agreement for a new phone system.

**SUMMARY:** Approve an Equipment Lease Application with Bank of the West for \$200,000.00 for a 48 month lease and approve a Purchase Agreement with YipTel for \$197,620.00 for the purchase and installation of a new phone system.

**FISCAL IMPACT:** Financing the phone system through the Bank of the West lease, the City will make an annual lease payment of \$51,502.21 for four years.

**STAFF RECOMMENDATION:**

Staff recommends approving an Equipment Lease Application with Bank of the West for \$200,000.00 for a 48 month lease and approving a Purchase Agreement with YipTel for \$197,620.00 for the purchase and installation of a new phone system..

**MOTION RECOMMENDED:**

"I move to adopt Resolution No. 14-216 authorizing the mayor execute an Equipment Lease Application with Bank of the West for \$200,000.00 for a 48 month lease and approve a Purchase Agreement with YipTel for \$197,620.00 for the purchase and installation of a new phone system.

Roll Call vote required.

**Prepared by:**

Michael Oliver  
Michael Oliver  
IT Manager

**Reviewed as to Legal Sufficiency:**

Dan Robinson for  
Jeffery Robinson  
City Attorney

**Recommended by:**

Bryce Haderlie  
Bryce Haderlie  
Interim City Manager

## **BACKGROUND DISCUSSION:**

During the 2014-15 budget process IT proposed replacing the current outdated phone system, which has become increasingly difficult to maintain. The current phone system has components that are more than 14 years old and the main core system is over 9 years old. The current model of handsets that the City use is no longer available new, only refurbished units can be purchased.

The City Council approved the purchase of a modernized phone system, allocating \$60,000 per year for the next 5 years to implement the Phone System Replacement project. City staff has secured a 48-month Equipment Lease with Bank of the West for \$200,000 to purchase the new phone system from YipTel for \$197,620.00. The City will make annual payments of \$51,502.21 for four years to Bank of the West.

### **Attachments:**

Resolution  
Bank of the West Equipment Lease  
YipTel Purchase Agreement

THE CITY OF WEST JORDAN, UTAH

A Municipal Corporation

RESOLUTION NO. 14-216

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN EQUIPMENT LEASE APPLICATION WITH BANK OF THE WEST AND A PURCHASE AGREEMENT WITH YIPTEL FOR THE PURCHASE OF A NEW PHONE SYSTEM

**WHEREAS**, the City Council of the City of West Jordan has reviewed the Bank of the West Equipment Lease Application and the YipTel Purchase Agreement for the purchase of a new phone system, and

**WHEREAS**, the City Council desires to enter into an agreement with the Bank of the West and YipTel, which awards shall not be binding upon the City of West Jordan unless and until the contract is fully executed by the parties; and

**WHEREAS**, the Mayor is authorized to execute these agreements after the City Attorney approval as to legal form,

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF WEST JORDAN, UTAH, THAT:

Section 1. The Mayor is authorized and directed to execute the Bank of the West Equipment Lease Application for an amount not to exceed \$200,000.00; and

Section 2 The Mayor is authorized and directed to execute a Purchase Agreement with YipTel for an amount not to exceed \$197,620.00 for the purchase of a new phone system.

Section 2. This Resolution shall take effect immediately upon passage.

Adopted by the City Council of West Jordan, Utah this 19<sup>th</sup> day of November, 2014.

\_\_\_\_\_  
Kim V. Rolfe  
Mayor

ATTEST:

\_\_\_\_\_  
MELANIE S. BRIGGS  
City Recorder

Voting by the City Council

"AYE"

"NAY"

Jeff Haaga  
Judy Hansen  
Chris McConnehey  
Chad Nichols  
Ben Southworth  
Justin D. Stoker  
Mayor Kim V. Rolfe

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October 3, 2014

David Zobell  
City Treasurer  
West Jordan City  
Utah

Dear Mr. Zobell

Bank of the West is pleased to present the following Equipment Lease Proposal for your consideration, based on information you have provided:

**LESSOR:** Bank of the West ("BOW") and/or its participants, affiliates, successors or assignees (collectively referred to as "Lessor").

**LESSEE:** West Jordan City

**EQUIPMENT  
LOCATION:** Utah

**EQUIPMENT  
DESCRIPTION:** Phone System

**EQUIPMENT  
COST:** \$200,000

**CLOSING  
DATE:** This proposal is based upon the assumption and condition that the closing for this transaction will occur by December 30, 2014. If the closing does not take place on this date, the Rental Amounts (and other economic factors) herein may be adjusted to reflect the actual date of closing. All fundings are conditioned upon delivery and acceptance of the Equipment by Lessee.

**LEASE TYPE:** Capital Lease, evidenced by documentation to be provided by Lessor and satisfactory to both Lessee and Lessor in all respects.

**INITIAL LEASE  
TERM:** 48 months

**LEASE  
COMMENCEMENT  
DATE:**

The first day of the month following delivery and acceptance of all of the Equipment.

**LEASE RENTAL  
AMOUNT:**

The Lease Rental Amount, payable annually, in advance, and expressed as a percentage of equipment cost, is 25.71104% (\$51,502.21), with the first payment due at closing, plus any applicable sales tax. Interest rate is 1.95%

**ADJUSTMENTS TO  
LEASE RENTAL  
PAYMENTS:**

The Lease Rental Payments stated above reflect BOW's current cost of funds ("Index") and will be adjusted as of the date of funding to reflect changes in the Index. The above-stated Lease Rental Payments were calculated using the Index for October 2, 2014. Upon Lease Commencement, the Lease Rental Payments will be fixed for the term of the Lease.

**LESSEE OPTION  
AT LEASE  
EXPIRATION:**

The Lessee must purchase all, and not less than all, of the equipment for \$1.

**NET LEASE:**

This will be a net lease transaction. Lessee, at its own expense, will: provide insurance, maintain the Equipment, and pay all fees, sales tax, property taxes, and other expenses of a similar nature. The Lessee will also indemnify the Lessor against all liability with respect to the Equipment and the entire risk of loss.

**INSURANCE:**

Lessee shall maintain adequate insurance coverage on the Equipment, which must be satisfactory in a form and amount to Lessor, including public liability insurance for property damage and personal injury and physical damage coverage for the full insurable value of the Equipment naming Lessor as loss payee and additional insured.

**COSTS AND  
EXPENSES:**

Lessee agrees to pay a documentation and processing fee of \$500 per schedule and to reimburse Lessor for all costs and expenses incurred in connection with the closing of the transaction. Such costs shall include but not be limited to, the preparation of documentation, appraisals, search fees, recording, titling fees, and filing fees.

**DOCUMENTS:**

Prior to funding, Lessee shall execute or all documents reasonably required by Lessor, including but not limited to a Master Lease Agreement, applicable Equipment Schedules, financing statements and Delivery & Acceptance Certificate. The type, form, contents, sufficiency and due execution of all documents must be satisfactory to counsel for Lessor.


This transaction will be considered a lease intended for security. Lessor will not claim any depreciation deductions arising out of the ownership of the Equipment

**NON-BINDING  
PROPOSAL:**

The foregoing is a proposal only and does not represent an offer or a commitment to lease or otherwise extend credit. Upon receipt of a copy of this proposal letter signed by lessee, lessor will undertake the appropriate due diligence review and credit evaluation. Any commitment offered by lessor thereafter may be terminated in the event of filing by or against the lessee or any guarantor of a petition in bankruptcy or for appointment of a receiver or the making of an assignment for the benefit of creditors or in the event of a material adverse change in the business, operations or financial condition of the lessee or any guarantor or if any information provided to lessor by lessee or any guarantor relating to the proposed transaction is false or misleading with respect to any material fact or omits to state any material fact necessary to make such information not misleading.

If this Proposal meets with your approval, please return a signed copy of this proposal at your convenience. Our receipt of such signed copy will constitute your application for the financing outlined in this proposal. If you have any questions, please call me at 480-768-1799.

Sincerely,  
Bank of the West

  
Aaron Gardner  
RMA/AVP

Date: October 3<sup>rd</sup>, 2014

Agreed to:  
City of West Jordan, Utah

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# PURCHASE AGREEMENT

This agreement for purchase of telecommunications equipment is hereby entered into between YipTel of 9176 South 300 West # 1 Sandy, Utah 84070 (hereafter "YipTel") and West Jordan City (hereafter "Customer").

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**EQUIPMENT:** YipTel agrees to sell and Customer agrees to purchase from YipTel all of the equipment identified in YipTel Quote #(s) 9511 (collectively, the "Equipment").

**PURCHASE PRICE:** The purchase price for the Equipment is \$ 197,620.00, plus applicable taxes. The purchase price is payable as follows:

\$ 50,000.00 Down payment due upon execution of this agreement

\$ 147,620.00 due upon installation/cutover of the system. Cutover is understood to mean that the equipment is installed and calls are being placed through the system.

**LOCATION:** The equipment shall be installed at: Respective West Jordan City offices.

**ADDITIONAL CHARGES:** Customer shall pay YipTel at its customary labor rate for any labor or services performed by YipTel which are unrelated to the Equipment provided herein, including but not limited to assisting the Customer with issues relating to dial tone service, routers, firewalls, VPN, internet connections, cabling, customer network issues, software integration, software development, and the like.

**SECURITY AGREEMENT:** YipTel and customer agree that YipTel shall retain a purchase money security interest in all of the Equipment listed on YipTel Quote # 9511. This interest will be satisfied only upon payment in full by Customer. Customer agrees to sign all appropriate documents necessary to perfect YipTel's security interest in the Equipment.

**LIMITATION OF LIABILITY:** YipTel will not be liable for any problems or issues relating, directly or indirectly from the use of YipTel or 3<sup>rd</sup> party service providers. YipTel will not be responsible for problems or issues arising from or related to any Customer equipment. YipTel shall not be liable for any special or consequential damages, including lost profits and other losses, damages and expenses, which arise directly or indirectly from Customer's use YipTel service or Equipment. YipTel is responsible for adhering to a 2 hour or less service guarantee and providing service and support for the equipment purchased during the warranty period.

**WARRANTY:** The software shall be covered by a Manufacturers Software subscription that will provide access to future software releases of the product through the authorized Zultys dealer channel for 5 years from the date of purchase. Some new Zultys features are licensed and will be available to purchase at your option. The Fax Server has a 5 year software subscription from the date of Purchase. Polycom Phones are covered by a 1 year manufacturer's warranty from the date of purchase.

Labor is contracted separately. YipTel provides a 30 Day grace period for unlimited configuration changes to adjust the system to the Customer's needs. After the 30 grace period, on-going support will be provided according to the "Schedule A" document where the customer will select the method of service that they wish to receive. YipTel will repair or replace any faulty Equipment at its option during the warranty period. This warranty shall not cover any Equipment that has been willfully abused, improperly handled or changed by Customer or a third party. This warranty shall be in lieu of any implied warranty of merchantability or fitness for a particular purpose.

**AMENDMENTS/CHANGES:** If it becomes necessary or desirable at any time between the signing of this agreement and the installation of the Equipment, to make changes in the configuration of the Equipment, programming changes, or changes in the work required, a change order will be initiated and signed by both parties.

**AUTHORIZATION:** Each party to this agreement covenants and warrants to the other party that it has full and complete corporate, partnership or other power and authority to enter into and perform this agreement.

**TERMINATION:** In the event that after signing this agreement and before installation of the Equipment is completed Customer chooses to terminate this agreement, then Customer shall be liable for a termination fee equal to 25% of the total purchase price, together with payment of all labor performed by YipTel through the date of termination at YipTel' customary labor rate.

**SCOPE OF WORK:** The attached Scope of Work details YipTel and Customer responsibilities for work to be performed.

**FAILURE TO PAY OR INSOLVENCY:** In the event Customer fails to pay any part of the purchase price when due, or in the event of proceedings in bankruptcy, receivership or insolvency are instituted by or against Customer or its property, YipTel may, at its option, cause the entire unpaid balance to become immediately due and payable. Customer agrees to pay an additional collection cost of 35% if collection efforts are required for enforcement of this agreement and any additional service charges, collection fees, attorney fees, costs of court, etc. If the customer fails to pay any part of the purchase price or future invoices from YipTel when due the equipment will first be disabled from making calls and then removed within 30 days unless payment is received. It is also agreed that an 18% per annum will be applied for the unpaid balance

**JURISDICTION & VENUE:** The Terms and conditions contained within this agreement shall be governed by the laws of the State of Utah and shall be construed and in accordance with those laws. Any action or proceeding brought by either party which in any way is related to this agreement shall be brought in a court of jurisdiction within the State of Utah.

**ACKNOWLEDGEMENT:** Customer acknowledges that it has read this agreement, understands it, and agrees to be bound by its terms and conditions. Furthermore, Customer acknowledges receipt of a copy of this agreement and any applicable schedules and/or supplements and agrees that they represent the complete and exclusive statement of the agreement between the parties, which supersedes all prior agreements, proposals, or communications, whether oral or written, between the parties.

In witness whereof the parties hereto have caused the agreement to be properly executed intending that it shall be legally binding upon them and their respective heirs, estates, successors and assigns.

**CUSTOMER:**  
By: \_\_\_\_\_

Its: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

**YIPTEL:**  
By: 

Its: President

Print name: Robert Brown

Date: 10/10/14

**APPROVED AS TO LEGAL FORM**  
West Jordan City Attorney

By:  Date: 11-12-14





## **Scope Of Work**

**Zultys Implementation Guidelines**

TO: West Jordan City

## **A. Project Description:**

West Jordan City hereafter referred to as "Customer" and YipTel set forth the following Scope of Work as referenced in the Purchase Agreement.

Customer and YipTel have executed an agreement whereby YipTel will install a ZULTYS VoIP Telephone System at Customer's site location(s) on a date to be determined. This document is an integral part of the sales agreement. Customer also agrees to choose the level of ongoing service requested by selecting and signing the attached Schedule A

## **B. Project Scope of Work:** The parties agree that the scope of work is as follows:

YipTel shall supply labor and materials, subject to the limitations set forth below, to install a ZULTYS VoIP Communications Server (telephone system).

- The scope of work includes installation and configuration of the equipment set forth in Quote Number 9511, except the work to be undertaken by Customer pursuant hereto.
- The Customer, either itself or through its subcontractors, is solely responsible for Customer's network, including the supply, installation and programming of firewalls, routers, bridges, Ethernet switches or other network hardware or software, the supply, installation and termination of all cabling not specifically provided by YipTel and set forth in Quote Number 9511.
- One 10' patch cord is supplied with each phone, longer lengths and additional patch cords will be provided at Customer's request upon a signed change order agreement.
- Power Over Ethernet to provide power to the phones is required. If YipTel has recommended power over Ethernet switches and power supplies they are listed on Quote Number 9511. Any additional POE switches or Power supplies required for the installation will be billed in addition on a change order.
- Should YipTel or the manufacturer be required to assist in the programming or installation of equipment or cabling not provided by YipTel, Customer will be separately billed at the prevailing hourly rate. Additional labor incurred by YipTel as a result of equipment or cabling not provided by YipTel including but not limited to incompatibility, failure, non-delivery, or incorrect protocol, will also be separately billed. If requested, Customer shall provide YipTel access to Customer's provided equipment (i.e. user names, passwords, etc.) for application programming.

## **C. REQUIREMENTS OF THE PARTIES WORKING TOGETHER**

Customer will be responsible for providing YipTel with the following prior to and during the installation:

- Cabling of less quality than Category 5e will not properly support Zultys VoIP transmission. If new cables are to be run, Cat 5e or CAT 6 is preferable. YipTel is not

responsible for existing cable conditions or the quality of Customer provided cabling or terminations.

- Any existing analog devices that are to be connected to the ZULTYS system must have existing terminations in the gateway location.
- Dedicated power circuits are strongly recommended in order to minimize the risk of interference from other equipment connected to the same electrical circuit. You are installing tens of thousands of dollars of sensitive equipment. Please think seriously of calling in an electrician to provide a dedicated, separately fused, power receptacle for the MX (or each MX), as well as sufficient power for your other equipment.
- All dial tone provisions, WAN links, and other carrier services ordered by Customer, including but not limited to, local lines, T-1 circuits, MPLS, Internet access lines, fax lines, etc. are the responsibility of Customer. All telephone lines, including digital circuits, shall be terminated, tested, and labeled prior to the installation of the ZULTYS System (except existing circuits being reused, which are assumed to be properly installed and configured). Additional labor incurred by YipTel as a result of carrier issues including but not limited to incompatibility, circuit failure, non-delivery, incorrect protocol or incorrect information provided by Customer will be billed separately unless improperly ordered by YipTel. YipTel is not responsible for errors or omissions made by any other entity, and will bill at prevailing rates for time lost as a result of such errors. YipTel does not guarantee compatibility with any carrier including those certified by Zultys. For SIP services we highly recommend using a ZULTYS certified ITSP. YipTel will provide the coordination and support for dial tone and internet providers depending on the choice ongoing service selected on the attached Schedule A.
- It is the Customer's responsibility to bring dial tone from the Carriers Dmarc to the MDF or IDF, where the communication server and all station terminations will be located. If the signal passes through remote wiring closets (inbound to the switch or outbound to the stations), also known as intermediate distribution frames (IDFs), feeder cables to such IDFs are the separate responsibility of the Customer. YipTel may be contracted for extending this connection at the contract rate.
- Customer shall provide access to the building, switch room, network room and all user workstations when needed during normal business hours, 8 A.M.-5 P.M., Monday thru Friday, for installation. YipTel personnel will be granted access to all areas where work is to be performed. If required, Customer will provide all installation personnel with access badges, keys, and/or escorts in order to perform the work in a timely and cost effective manner. At YipTel request, after-hours work may need to be performed and unless it is specified otherwise in the attached quote this time will be at 1.5 times the prevailing rate. YipTel is not liable for Customers after-hours staff billing.
- Customer agrees to allocate time and resources, when and to the detail of YipTel feels necessary, to provide any information such as logs, detailed descriptions, screenshots, etc. to troubleshoot and/or reproduce any issue that may arise.

- Customer's users must be notified by their employer of the upcoming installation involving the ZULTYS system and be asked to provide access and cooperation in a timely manner.
- Customer shall appoint a representative to act as a single point of contact to expedite the efforts of YipTel to complete Customer's project in a timely and professional manner.
- Customer shall supply all call flow information (answering positions), all incoming call routing information (for both ring in and automated attendant programming), names and extension numbers for each user well in advance of the installation. There can be no duplicate extension numbers, even across network locations. Separate network sites should have extension numbers commonly grouped numerically, with first numerals consistent on each site.
- No changes may be made to database programming for the period commencing 48 business hours prior to installation and terminating upon completion of the initial installation. The initial installation shall proceed in this order: (i) Loading Primary Software (sequentially); (ii) telephones at each location; (iii) instruction on loading application software so customer may load application software. Changes to the initial scope of the design will be undertaken prior to completion of the initial installation only if required to meet the agreed operational expectations of the parties.
- After the initial installation, any changes or additions to the program design, broadband connections, operating system, software applications, or terminating hardware that require YipTel assistance to modify, reactivate or troubleshoot the ZULTYS functionality will be billed at the prevailing hourly rate.
- All warranties and/or maintenance agreements specifically exclude coverage to repair, debug or otherwise rid any customer provided equipment of viruses. Virus repair work will be done only at Customer's request at our contract labor rate.
- Customer will provide floor plans and assist in giving direction for placement of phones in the proper locations.

#### **D. WORKSTATION REQUIREMENTS**

- Customer's users must have workstations up and connected to the LAN with all features and privileges enabled in order to have MXIE software installed. Customer is responsible for installing any and all desktop software / drivers / plugins including all of the MXIE software clients, this is agreed to be done after installation and before cutover. The software client can be deployed with a MSI or manually as designed by the customer. Troubleshooting the installation of client software or loading of MXIE on PCs by YipTel staff is included as part of the installation. Similarly, troubleshooting and configuration of headsets, including headsets provided by YipTel, will be the responsibility of Customer. Most headsets, including usb headsets, do not include drivers. Any time spent

troubleshooting workstations for other reasons will also be billed separately at the prevailing hourly rate.

- Client Software: requirements for client software such as MXIE are subject to change, YipTel cannot guarantee minimum requirements for future releases. The current MXIE version 9 software client minimum requirements for your workstations include an operating system of Windows XP professional SP1 or later (SP3 recommended) including Windows 7 32 and 64-bit and Windows 8; the Outlook client may be version 2000, XP, 2003, 2007, or 2010; a minimum of 100mb of disk space and no less than 1 GB of Ram (3 GB recommended). We recommend current Microsoft patches and that workstations be properly defragmented. Additional applications may not have the same requirements of MXIE.
- Please refer to Zultys documentation for the most up to date and accurate system requirements for each application.
- After the system is installed each user should promptly log in to the system, record his/her user name, greetings, change password and set up his/her voice mail. YipTel recommends that all attendees log in to the voice mail system immediately after each training session. We are looking for the balance point where users log in as soon as possible, in order to familiarize themselves with their new system, but recognize that it is not possible for everybody to do so simultaneously.

## **E. LAN REQUIREMENTS - AND WHAT WE NEED TO KNOW**

- Zultys provides an .ova template file used to create a VMware virtual machine, as well as an Activation License and Software Licenses which are necessary for the day-to-day operation of an MXvirtual system. Following deployment of an MXvirtual Instance onto a VMware server, it must be Activated before the system can be licensed and configured for day-to-day use.
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- Zultys recommends using a VMware certified server.
- •MXvirtual is compatible with the following versions of VMware vSphere:
  - –VMware ESX v4.1
  - –VMware ESXi v4.1, v5.0, v5.1 & v5.5
- •Resource allocation for MXvirtual Instance for up to 250 users:
  - –CPU from 2 GHz
  - –2 Cores allocation
  - –1 Gbyte RAM
  - –30 Gbyte Hard Drive storage
  - –Thick provisioning
  - –1 Gigabit/s network card
- •If you are planning to run an Instance of more than 250 users or multiple Instances of MXvirtual on a single physical server, contact YipTel for additional information.

- We need to know your default gateway, the subnet mask, and what is your NTP server (if one is being used). If you have a DNS server, we need its IP address - both primary and secondary.
- Additional equipment such as analog gateways, etc. generally need only 1 IP address each.
- Under normal circumstances, we expect that (a) you have a DHCP server, and (b) no objection to our using your DHCP server to generate the IP addresses needed for the phones, and (c) that it makes no difference to you if the MX acts as the TFTP server for the phones. If any of these assumptions are incorrect, you must make this known prior to installation, in order that we can provide an alternative solution. It is important that the two private IP addresses assigned to our MX server (or each of our servers) be out of range of addresses provided by your DHCP server, in order to avoid conflicts. The DHCP server must support option 66. The MX can act as a DHCP server but is typically only needed when running phones and the MX in a dedicated VLAN.
- End user is responsible for supplying and accurately configuring the DHCP server and insuring conformance with Option 66 unless the MX is to be the DHCP server.
- VLAN's are supported and should be configured before the equipment is installed VLANs configured on equipment not provided by YipTel are the responsibility of Customer.
- Each ZULTYS device will require a managed Ethernet port on a managed Ethernet switch provided by Customer. Hubs are not permitted on a ZULTYS device installation, as they will slow traffic. Ethernet switch ports must support POE to provide power to the phones. Local power supplies can be added if required at additional cost ea.
- Remote Phones: For any and all Internet connections, whether local or remote, there are certain expectations that can often not be determined until first attempting to run voice traffic through them. Particularly with remote connections, the quality, configuration, and capabilities of all firewalls play an important role in the success of remote phone installation. YipTel cannot guarantee how equipment not provided by YipTel will behave or be compatible with the MX. YipTel will not support environments including but not limited to double NATed networks (firewalls behind firewalls), firewalls with enabled but un-configurable SIP packet transformations, high latency (ping times should be less than 150ms at all times), firewalls that cannot be restricted by source IP address, and ISPs bandwidth throttling or blocking traffic.
- Outside Connections. If you want to use External Admin UI, External MXIE, and External phones or connect our systems in a group called MXNetwork, or manage your system(s) remotely, or have Teleworkers, you will need external connectivity. The recommended way to a setup the MX behind your firewall with particular ports open for the services you wish to use. We will provide you with port range to be open in accordance with your requirements.

- If you use firewall, NAT or a VPN device make sure that throughput is enough for voice traffic – each session uses approximately 50 packets/s in each direction, 24 Kbit/s for compressed voice and 80 Kbit/s for uncompressed voice .
- Insure that any and all connections have sufficient bandwidth (no less than 80 Kb per conversation) and include an additional estimated overhead of 10% in your calculations.
- Insure you have prioritized voice traffic over data traffic. The system and phones are generally configured to mark the packets using dscp 46 (EF) expedited forwarding.
- It is the client's responsibility to insure that the network is in good condition, free of Viruses, Trojans, or any other malware or ANY other issue that can possibly affect the performance of the LAN or WAN.
- ZULTYS allows paging through the telephones to a limit (created by bandwidth) of 32 phones per paging group. If you have more than 32 phones then you may need to use Multicast paging on the Polycom phones. This requires the support of Multicast on the Ethernet switches external paging will be required and can be discussed and quoted separately.
- MX servers on the network may work with or without VPN. If you use VPN make sure that you have enough power to process Voice Traffic
- ZULTYS IP phones work very well on your VPN; we do not expect any issues in this area. If you have the MX set for public IP address, Zultys phones will work without the need for VPNs

## **E. WAN REQUIREMENTS**

- To meet the mission critical priority requirements of voice packets we ask your IT professional to set QoS or CoS appropriately. Failure to assure adequate bandwidth will negatively affect VoIP performance. Latency (the time it takes a packet to get from point A to point B) greater than 100 milliseconds is likely to cause degradation of voice quality.
- Remote Users - SOHO (Small Office, Home Office) Applications. Remote users will require a broadband connection with QoS enabled at each location. Customer is responsible for all SOHO equipment other than the ZULTYS device provided by YipTel. Insure that you have sufficient and persistent bandwidth at each remote connection. 80Kbps will be required per conversation.
- YipTel will program each remote ZULTYS telephone with the IP address provided by Customer's IT professional/department. This will be the Public IP address assigned to the MX. Once that telephone can access Customer's switch from YipTel premises, the balance

of any work to be done to enable Customer's remote site to communicate is separately billable at the prevailing rates, including travel time to remote sites.

- All soft phones (MXIE software) will be installed on the Customer's office premises. YipTel is not responsible for the operation of the MXIE software on individual workstations/notebooks, for any conflicts within the operating systems or for the operation of Outlook. Resolution of all of said conflicts are the primary responsibility of the Customer's IT department/professionals, however YipTel will provide remote support for trouble shooting assistance at no cost while Customer is under an YipTel maintenance agreement. Any work done by YipTel in this regard will be provided according to the Schedule A attached.
- Remote access is required for all YipTel systems so that we have immediate access to the system. We will provide the details required for this access.

## **F. ANALOG**

On a VOIP system Analog Extensions are typically used for analog single line phone devices such as a customer phone. Elevator, Alarm, and Fax Lines should be directly through your Dial Tone provider.

## **G. TRAINING**

Administrative Technical training will be provided via Technical training courses held at YipTel offices for up to 4 technical staff initially at no cost. Additional Admin classes are available at \$150.00 per person.

User training is provided via training videos located on our website, and live training classes. So long as the customer is a client all user training courses are provided at no cost to the customer whether on site or remote webinar.

## **H. GRACE PERIOD**

After the cut over of the installation, Customer will enter in to a 30 day grace period under which any and all requests for programming changes will be made at no additional cost no matter which choice is made on the attached Schedule A. This is provided to assure that the system is programmed exactly how Customer requests.

## **I. INSTALLATION CARRIER COORDINATION**

YipTel will provide initial coordination services with Customer's chosen provider at no additional cost for up to 5 hours of coordination. Beyond the initial configuration carrier and internet provider troubleshooting and support will be billed according to the customer's choice on the attached Schedule A.



## **J. ON GOING CARRIER COORDINATION**

YipTel will integrate with the customer when they are the Carrier of Record. If the customer has chosen another carrier even if we have referred services, the ultimate responsibility for service is between Customer and the carrier. If YipTel refers you to a carrier or depending on your service level on the attached Schedule A, carrier diagnosis and problem resolution may be included. If Customer chooses the carrier then any support or diagnosis needed would be billable.

## **K. AUTO ATTENDANTS CALL ROUTING**

It is expected that the customer will have 4 to 5 Auto Attendants or call routings per location that will need to be configured. Call Routing and Auto Attendant scripts that extend beyond these numbers will be billed for separately.

## **L. INTERNET REMOTE USERS**

When placing users remotely using the public internet the following is understood. The Internet does not provide the ability for QOS and Prioritization and thus there is no ability to control the quality of the phone call. The quality of the call is based solely upon the quality of the internet connection. Time spent troubleshooting remote users local internet connections are not included in YipTel maintenance unless specified.

## **M. CHANGES AND ALTERATIONS**

Any deviation from the Scope of Work and/ or specifications will be billable, at prevailing rates, over and above the contracted amount, and will only be executed upon the specific request of the Customer

## **N. LIMITATION OF LIABILITY**

YipTel cannot be held responsible for voice quality of conversations that traverse the public internet, or for any loss of data due to equipment failure. Our sole responsibility is to provide fast and reliable sales and service on the equipment that you have purchased from us. We are not liable for loss of data, malfunction or any loss of business incurred by failure of any equipment.

Data Loss: The Zultys system is not designed for extensive data storage, and as any device can fail. It is Customer's responsibility to take whatever steps it deems necessary to protect from data loss. YipTel is not responsible for data on or off of the equipment.

YipTel

Authorized Signature

Customer Signature

Date

Date

On Going Support Agreement – **Schedule A** - Check One and Sign

☒ Help You Do It: Customer Assisted Remote Maintenance Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Maintenance will be provided at no extra cost to the client as long as the carrier services are delivered thru YipTel as the agent of record.

Enrollment:   0   Monthly Cost:  300 /Month Contract Term:  12 Months

After cut over of the phone system YipTel will provide "Help You Do It" support. Billing is on the first day of the month and 30 day past due accounts will not be serviced. During the contract term YipTel will provide 8 AM to 5 PM Standard Support Monday through Friday, and 24 x7 support for any service effecting emergencies. This support includes unlimited phone, email and chat support during our normal business hours. You also will be provided with a 2 hour or less guaranteed response time for emergencies. Emergencies are determined by the customer but in general they constitute service effecting issues. Customer will have direct access to support with a dedicated phone number to our Help Desk. This product is designed to give you unparalleled access to our Engineers that will train and assist you to make the changes and modifications to your equipment with you on the phone. You will be engaged with us as we work through any issues together. Any equipment purchased from YipTel would be covered under this maintenance agreement.

If we have provided a referral to a dial tone or internet carrier that you selected then any and all coordination and troubleshooting with the carrier will also be covered under this contract. If you have chosen your own carrier then these services would not be included.

Parts or equipment needing to be changed out will be shipped and a help desk support representative will walk your contact through the steps needed to replace or fix the equipment. If Customer desires or service requires technician on site discounted labor rates apply and a priority 1 response as follows:

On Site: \$110/Hour. First hour billed in full and each additional hour will be billed in 15 minute increments. After hours is billed at time and a half. Cabling work billed at \$85/Hour and same time rules apply.

Administrative and end user training will be provided at no additional cost. Administrative training classes as well as online web based training will be available to users of this service.

Unlimited End user training is included and can be scheduled during our standard business hours and will be conducted as Customer directs.

Customers will also have access to Free Internet and Dial Tone, Wireless phone Evaluations, and Free technical consulting on any voice, data, wireless, and other technical equipment we sell and service.

This is a labor only contract. Equipment warranty for hardware and software is not part of this contract.